

**REMARKS**

Claims 1-46 are pending in this case, all of which stand rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 5,715,403 (Stefik) in view of U.S. Patent No. 6,924,051 (Reddy). Applicant respectfully disagrees with, and traverse, the grounds for rejected for the following reasons.

Initially, applicant notes that, in prior office actions the Examiner has rejected claims 1-46 as being anticipated by Stefik under 35 U.S.C. § 102. The present office action is very similar to prior office actions, except that it converts the section 102 rejection to a section 103 rejection, and relies on Reddy for two features that the Examiner now acknowledges are not present in Stefik. Those two features are:

- (1) Payment as a condition for licensing content.
- (2) Revoking a license, or making a license unusable, as a condition for issuing a different license.

The Examiner now finds those features in Reddy in the Abstract; col. 4, ll. 25-42, and col. 5, ll. 50-61.

There are at least three reasons why the Examiner's new reliance on Reddy fails to demonstrate the obviousness of the claims. Those reasons, which will be described in greater detail below, are as follows:

- Reddy is not prior art to the present application, and does not show that the above-mentioned features were obvious as of the present application's priority date
- Reddy does not teach or suggest the claim features for which it has been cited.
- There are a multitude of claim features that applicant has previously argued are not taught in Stefik. The Examiner asserts that the new ground of rejection render the prior arguments moot, but there are several points of difference between the claims and Stefik for which the Examiner has neither addressed applicant's argument, nor applied a portion of Reddy. Thus, the Examiner's newly-stated grounds for rejection in the prior Office Action do not support the rejection, since they neither address the prior arguments with respect to Stefik, nor apply a portion of the new Reddy reference.

Applicant will address these arguments in detail.

Reddy Is Not Prior Art

The present application was filed on July 20, 2001. Reddy was filed on June 7, 2002, which is more than 10 months *after* the present application was filed.

Reddy claims priority to three provisional applications – 60/296,113, 60/296,116, and 60/296,117 – which were filed on June 7, 2001. Based on these three provisional applications, Reddy appears to claim a nominal priority date of June 7, 2001, which is approximately 45 days earlier than the present application was filed. However, the Reddy patent is not automatically entitled to the priority date of these provisional applications. In order to benefit from the claimed priority date, certain conditions have to be met. In particular, (1) an application that claims priority to a provisional must normally have some inventorship in common with the provisional; and (2) the application is entitled to the provisional's filing date only to the extent that the feature in question is actually shown in the provisional.

In this case, we note that the 60/296,113 and 60/296,117 applications (whose file wrappers are available on PAIR) do not appear to have any inventors in common with the Reddy patent, so it is unclear on what basis these documents could provide priority for the Reddy patent. (The 60/296,116 application does have inventorship in common with the Reddy patent.)

Additionally, since the Reddy patent itself (filed June 7, 2002) is not prior to the present application (filed July 20, 2001), if the Reddy application is to be treated as prior to the present application, that priority must be based on what is shown in the provisional to which it claims priority. However, the features for which Reddy is cited do not appear to be in any of the provisionals. As noted above, the only features for which the Examiner has relied on Reddy are: (1) payment as a condition for licensing content; and (2) revoking a license, or making a license unusable, as a condition for issuing a different license.<sup>1</sup>

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<sup>1</sup> By noting that the Examiner has relied on Reddy for these features, applicant does not intend to imply that statements (1) and (2) are (or are not) an accurate characterization of any of the pending claims. Applicant will address later in this action (to the extent necessary) what the claims call for. For now, applicant merely notes that the Examiner has found items (1) and (2) in Reddy; in this section of this paper, applicant is addressing

Applicant has examined the above-mentioned provisional applications, and has been unable to locate either of these features in any of the provisional applications.<sup>2</sup> We note that the specific portions of Reddy that has been cited by the Examiner – i.e., the Abstract; col. 4, ll. 25-42, and col. 5, ll. 50-61 – do not appear to originate in any of the provisional applications to which Reddy claims priority. Rather, they appear to originate with the Reddy filing that took place on June 7, 2002, more than ten months after the present application was filed.

In order to assess whether a claim is obvious over the prior art, it is necessary to determine whether the patent or publication applied is in the prior art under section 102. *See* MPEP 2141.01(I). The Examiner has not stated under what subsection of section 102 Reddy should be considered prior art. As demonstrated above, Reddy's priority cases do not show the features for which Reddy is cited, so Reddy should not be considered prior art under section 102(e) based on a claimed filing date. Reddy did not issue until November 30, 2004 (over three years after the present application was filed), and therefore is not prior art under section 102(b). If the Examiner believes that Reddy is prior art to the present application under some other subsection of section 102, applicant requests that the Examiner explain, in a subsequent office action, how Reddy qualifies as prior art to the present application (in particular, how it qualifies as prior art with respect to the features for which it is cited), and provide whatever evidence is needed to support that finding.

#### Reddy Does Not Teach the Claim Features for Which It Has Been Cited

As noted above, the Examiner has withdrawn the claim that Stefik discloses that "payment is a condition for licensing," or that a license may be "revoked or made unusable as a condition for issuing a different license." The Examiner thus relies on Reddy for these features. However, these are not actually the claim features in question. As demonstrated below, when the actual claim features in question are examined, the new reliance on Reddy does not address the issues that applicant raised in response to the Examiner's prior argument. These points will be addressed in turn:

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Reddy's effective priority date with respect to these features, irrespective of whether these features do or do not apply to any claims pending in this case.

<sup>2</sup> As noted above, there is some question as to whether the 113 and 117 applications can provide any priority due to a lack of common inventorship with the Reddy patent, but we have examined all three of the applications and have not located the features for which Reddy is cited in any of the provisional applications.

Payment

The Examiner's reference to Reddy's alleged teachings on "payment" is apparently directed to claims 32 and 44. (The word "payment" also appears in claims 4, 5, 18, 22, 23, 26, 32, 44, and 45, but these claims are not addressed in the section of the Office Action where the Examiner applies Reddy. In the section where the Examiner discusses Reddy, the Examiner lists claims 1, 6, 10-15, 20, 21, 25, 27-32, and 38-44 as the claims being discussed, and, among these claims, only 32 and 44 refer to "payment.")

The portion of Reddy that is apparently cited for the "payment" feature is col. 5, lines 50-61, which states, in relevant part: "Clearinghouse 90 can be used to process payment transactions and verify payment prior to issuing a license."

Claim 32 is dependent on claim 28. Claim 28 recites that a license creation module creates "a first digital license that comprises ... a second term ... which specifies one or more conditions governing the creation of [a] second digital license." Claim 32 further characterizes the "conditions" referred to in claim 28 as follows: "a first of said one or more conditions includes a requirement to collect payment upon creation of said second digital license." In other words, claim 32 defines a *license* that comprises a *term* that specifies one or more *conditions governing the creation of a license*, where one of the conditions is a requirement to collect payment upon creation of a license. The citation from Reddy merely shows that payment is processed prior to issuing a license, but does not show how a requirement to collect payment is a *condition* that is specified in a *term of a first license* that *governs creation of a second license*.

Claim 44 is dependent on claim 38. Claim 38 defines "a first license having a plurality of terms, wherein the plurality of terms includes ... a second term which permits the creation of a second license according to one or more conditions." Claim 44 further characterizes the "second term" as follows: "a first of said one or more conditions which requires the collection of a payment as a condition of creating said second license." While claim 44 is not identical to claim 32 in either language or scope, applicant notes that claim 44 calls for "collection of a payment" to be a "condition for creating [a] second license," and that this "condition" be included as a "term" in a first license. So, again, the issue is not whether Reddy shows that payment can be processed before creating a license. The issue is

whether one license includes a term specifying collection of a payment as a condition for creating another license. Reddy does not teach or suggest this feature.

Applicant submits that Reddy does not teach or suggest the "payment" feature for which it is cited in claims 32 and 44.

Revoking, or Making Unusable, a License

In the various portions of Reddy that have been cited by the Examiner, the portion that appears most relevant to revoking a license, or making a license unusable, is as follows:

Meta-rights can include rights to offer, grant, obtain, transfer, delegate, track, surrender, exchange, and revoke usage rights to/from others. Meta-rights can include the rights to modify any of the conditions associated with other rights.

[Reddy, col. 4, ll. 35-42.]

Claims 6, 19, 24, 33, and 46 all refer to revocation or in various contexts, but, among this list of claims, the Examiner has applied Reddy only to claim 6. (Reddy is discussed in the section of the Office Action that rejects claims 1, 6, 10-15, 20, 21, 25, 27-32, and 38-44; among the claims that refer to revocation, only claim 6 appears in this list. Additionally, only claim 6 refers to the unusability of a license.) Thus, applicant will discuss Reddy in the context of claim 6.

Claim 6 is dependent on claim 3, which, in turn, is dependent on claim 1. Claim 1 defines "a first license associated [with a first content package] that permits access to the first content package ... wherein the first license specifies one or more terms governing the relicensing of the first content package ... and ... licensing the first content package for use on the first computing device in accordance with said one or more terms." Claim 3 defines "performing at least one action in compliance with a first one of said one or more terms." Claim 6 defines that "said first term requires revocation of the first license, and wherein said first action comprises sending an instruction to the second computing device which causes the second computing device to make the first license unusable."

In other words, claim 6 calls for a term that requires revocation of a first license as a term governing the relicensing of content, and further calls for sending a computing device an instruction to make the first licensing unusable because doing so is in compliance with the first license's terms for relicensing the content. Reddy suggests that a meta-rights can

“revoke” a usage right. However, claim 6 does not call for “revoking” a usage right, but rather calls for a *first license* that permits *relicensing* of content on one or more *terms*, where *one of the terms* requires revocation of the first license. At most, Reddy states that revocation can be part of a meta-right. Reddy, however, does not teach or suggest that revocation is required for relicensing of content – much less that such a requirement is a term that is part of a different license for the same content.

In short, Reddy’s general suggestion that revocation can be a “meta-right” is not sufficient to teach or suggest the specific features called for in claim 6.

Applicant thus submits that Reddy does not teach or suggest the features of claim 6.

There are numerous claim features that define over the applied prior art, and that the Examiner has not addressed in the Office Action

In response to the prior office action, applicant submitted a list of features that were recited in certain claims but not in the applied prior art, and that the Examiner either (1) had not addressed at all, or (2) had applied portion of the prior art that could clearly be shown to differ from the claim features. Most of these points remain wholly unaddressed. In this section, applicant identifies certain points of difference with the prior art, and requests that the Examiner focus attention on these points.

Before identifying certain points that applicant believes define over the applied prior art, applicant wishes to make one observation about the change from a section 102 rejection (as in prior office actions) to the section 103 rejection (as in the current office action). While the Examiner asserts that all of the pending claims are now rejected over Stefik in view of Reddy, the Examiner has relied on Reddy only as to two very specific features. As noted above, the specific features for which the Examiner has relied on Reddy are:

- (1) Payment as a condition for licensing content.
- (2) Revoking a license, or making a license unusable, as a condition for issuing a different license.

It should be emphasized that the Examiner has not asserted that Reddy teaches any other feature, and has not relied on Reddy as teaching any other feature. The Examiner could attempt to show that certain claim features are modifications of Stefik (or Reddy) that are taught or suggested by the applied prior art, but it is the Examiner’s burden to make such a

showing if it can be made. MPEP 2142. The Examiner has not made such a showing, and instead has relied on the premise that Stefik actually teaches all of the features except the two mentioned above, and that Reddy teaches the remaining two features. Since this is the Examiner's position, applicant responds by pointing out how the applied portions of Stefik do not teach the claim features for which they are cited. These arguments are essentially those that have been made in response to prior Office Actions. To avoid repetition, applicant refer back to the detailed explanations made in response to prior office actions, but the arguments are summarized here for the Examiner's convenience:

- Regarding claims 1, 14, 15, 20, 28, and 38: Stefik, as applied, does not teach that one license specifies terms or conditions governing the issuance of an additional license. Applicant has previously raised the point that, in applying Stefik, the Examiner has overlooked the distinction between content *usage* and content *licensing*. As to this feature, the Examiner has cited Stefik at: Abstract; col. 2, ll. 21-44, col. 9, ll. 19-31, and col. 44, ll. 33-55.) Applicant has examined the applied portions and note that these generally relate to licenses that govern content usage, but do not describe a license that specifies the terms or conditions governing the issuance of another license. Even the last of the cited portions of Stefik – col. 44, ll. 33-55, which describes conditions imposed on distributors of content, does not state that one license specifies terms or conditions that govern the issuance of some other license. (The Examiner has not suggested that Reddy teaches this feature, but applicant notes that it has not been found in any of the applied portions of Reddy.) Applicant requests that the Examiner reconsider the features of claims 1, 14, 15, 20, 28, and 38 in view of the applied portions of Stefik; applicant believes that, upon further review, it will be apparent that the applied portions do not teach or suggest a license that specifies the terms or conditions on which another license may be issued.
- Regarding claims 4, 5, 18, 22, 23, 32, 44, and 45: Neither Stefik, nor Reddy, teaches that a license specifies payment as a condition for the further licensing of content. Applicant has previously explained that – whatever Stefik might say about payment as a condition for content *usage* – the applied portions of

Stefik do not say that one license can specify payment as a condition for *issuing another license*. Additionally, while the Examiner has applied Reddy only to the payment features of claims 32 and 44, applicant has explained above with respect to claims 32 and 44 why Reddy does not teach or suggest a license that specifies payment as a condition for issuing some other license. Applicant notes that similar (but not identical) payment-related features appear in claims 4, 5, 18, 22, 23, and 45. For essentially the reasons explained for claims 32 and 44, it is also true that Reddy cannot be applied to the features of claims 4, 5, 18, 22, 23, and 45.

- Regarding claims 6, 19, 24, 33, and 46: Stefik, as applied, does not teach that a license specifies that the license is to be revoked or made unusable as a condition for issuing a different license. Additionally, with respect to claim 6, applicant has explained above why Reddy does not teach or suggest this feature. If the Examiner should choose to apply Reddy to the similar (but not identical or co-extensive) features in claims 19, 24, 33, and 46, applicant's explanation above with respect to claim 6 explains why this features is not taught or suggested by Reddy.
- Regarding claim 8: Stefik, as applied, does not teach that a device receives a license and content and then that device associates the license with the content. The Examiner has overlooked the fact that Stefik teaches that rights and content are attached to each other to begin with, and therefore it is not necessary for the receiving device to later associate content with a license. The Examiner has not argued that Reddy teaches this feature (although applicant notes that the applied portions of Reddy do not teach or suggest this feature).
- Regarding claim 37: Stefik, as applied, does not teach a first license that permits usage on a first device and creation of a second license on a second device, where the second license then does not permit creation of a third license for use on a third device. In other words, licensing moves through devices 1 and 2, but does not continue on to an additional (third) device. This structure is not taught in Stefik. The Examiner has not argued that Reddy



teaches this feature (although applicant notes that the applied portions of Reddy do not teach or suggest this feature).

Additionally, applicants note that neither of the cited references, as applied, teaches or suggests the feature that is present in the independent claims whereby a license permits (or does not permit) or governs (or does not govern) usage of content on a particular device. In particular:

- Claim 1 recites that a first license “that permits access to the first content package on a second computing device but not on the first computing device” and then “licensing the first content package for use on the first computing device in accordance with said one or more terms.”
- Claim 14 recites “issuing a license that permits the use of the content package on said first computing device.”
- Claim 15 recites “a first license that governs use of the digital content item on said first computing device and that contains: a first term permitting licensure of the digital content item for use on a second computing device different from said first computing device.”
- Claims 20 and 28 recites features similar to those quoted above for claim 15.
- Claim 38 recites a first license that permits rendering of content on a first computing device, and a second license that permits rendering of content on a second computing device.

Stefik, as applied, does not show these features. In particular, the Examiner has cited the Abstract, col. 2, ll.21-44, col. 9, ll. 19-31, and col. 44, ll. 33-55 to the above-described aspect of the claims (see rejection of claim 1, paragraph 4 of the office action), and these cited sections do not teach or suggest the above-described features. The Examiner has not asserted that these features are present in Reddy, but applicants note that the applied portions of Reddy do not teach or suggest these features.

#### Drawings

**DOCKET NO.:** MSFT-0314/164088.1  
**Application No.:** 09/909,673  
**Office Action Dated:** November 29, 2005

**PATENT**

The Examiner has not acknowledged acceptance of the formal drawings. It is respectfully requested that in the next Office Action the Examiner indicate that the formal drawings have been accepted.

**Conclusion**

For all of the foregoing reasons, applicant submits that the independent claims (and others mentioned above) recite features that are neither taught nor suggested by Stefik or Reddy, as applied. Thus, the claims discussed above are patentable over the applied prior art, and the remaining claims are patentable at least by reason of dependency. Applicant thus submits that this case is in condition for allowance.

Date: March 20, 2006

A handwritten signature in black ink, appearing to read 'P. M. Ullman', written over a horizontal line.

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